

21 December 2015

The Commissioner  
Anti-Dumping Commission  
Level 35, 55 Collins Street  
MELBOURNE VICTORIA 3000

**For Public File**

Dear Sir/Madam

**Investigation No. 285 – Review of Anti-Dumping Measures applicable to HSS exports by Dalian Steelforce Hi-Tech Co Ltd**

Introduction

I refer to the submission on behalf of Dalian Steelforce Hi-Tech Co., Ltd (“Dalian Steelforce”) dated 9 December 2015. The submission asserts that the Anti-Dumping Commission (“the Commission”) has made “significant errors” concerning the substituted hot rolled coil costs for the purposes of constructing normal values for Dalian Steelforce in the review period.

Review Inquiry No. 267

AusTube Mills Pty Ltd (“ATM”) rejects this assertion. Dalian Steelforce has stated that the Commission has adopted a different and inconsistent approach to adjusting Dalian Steelforce’s production costs from earlier inquiries for the inclusion of a competitive benchmark cost for HRC. This is not the case. Statement of Essential Facts (“SEF”) No. 285 refers to the methodology accepted by the Parliamentary Secretary In Review Inquiry No. 267 – the most recently completed review of measures applicable to HSS exported from China by Tianjin Youfa Steel Pipe Group Ltd (“Tianjin Youfa”). In that review inquiry (completed in May 2015) the Commission indexed movements in the benchmark HRC price in the original investigation with movements in the HRC domestic prices in Korea and Taiwan during the review investigation period.

The Commission has undertaken the same methodology in Review inquiry No. 285 in adjusting the HRC benchmark cost to reflect a comparable competitive market HRC cost. With the exception of Inquiry No’s 248 and 274 referenced by Dalian Steelforce as the Commission having steered away from its past practice, the cited cases are all original investigations in which no indexing of competitive benchmark prices occurred.

ATM therefore does not consider that the Commission has deviated from its policy or practice of establishing a competitive benchmark price as suggested by Dalian Steelforce.

Actual v benchmark HRC

It is further suggested by Dalian Steelforce that the Commission continued to adjust Dalian Steelforce’s production costs in the review period “*irrespective of whether they were above or below the prevailing competitive market costs*”. Dalian Steelforce refers to this methodology as a “flawed” approach. It should, however, be recalled that HRC prices declined across the review investigation period and it was indeed likely that Dalian Steelforce’s actual HRC price at the beginning of the review period was higher than the competitive market benchmark price at the end of the review period.

The Commission’s approach in examining the impact of HRC at less than adequate remuneration on Dalian Steelforce’s production costs involves a comparison of the exporter’s actual HRC costs for the investigation period with the competitive market benchmark costs for the same period. The difference between the two variables is then assessed as the index value for the whole of the investigation period. The Regulations do not permit the Commission to “cherry pick” months within the investigation period and exclude these months because at a point in time the exporter’s actual HRC price is above the competitive market benchmark price. This would result in a tainted competitive market benchmark index being applied.

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ATM submits that the Commission's practice and methodology employed in respect of the Dalian Steelforce normal value calculations is consistent with the methodology followed in Review Investigation No. 267 and is correct.

Conclusions

ATM agrees with the practice followed by the Commission in applying the competitive market benchmark index to the exporter's actual HRC costs in the review investigation period is in accordance with the Regulations.

If you have any further questions concerning this letter please do not hesitate to contact me on (07) 3909 6130 or ATM's representative John O'Connor on (07) 3342 1921.

Yours sincerely

A handwritten signature in black ink, appearing to read "B Willcox", with a long, sweeping horizontal stroke extending to the right.

Brett Willcox  
Manager – Operations and Support Services